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UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH

CENTRAL DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

NATIONAL NOTE OF UTAH, LC, a Utah
Limited Liability Company and WAYNE
LaMAR PALMER, and individual,

Defendants.

**THIRTIETH STATUS REPORT OF R.
WAYNE KLEIN, RECEIVER**

*For the Quarter Ending
December 31, 2019*

2:12-cv-00591 BSJ

The Honorable Bruce S. Jenkins

R. Wayne Klein, the Court-Appointed Receiver (the “Receiver”) of National Note of Utah, LC (“National Note”), as well as certain subsidiaries and entities affiliated with National Note and the assets of Wayne LaMar Palmer (“Palmer”), hereby submits this Thirtieth Status Report for the period October 1, 2019 through December 31, 2019 (the “Reporting Period”).

I.

ABBREVIATED PROCEDURAL HISTORY

This action (the “Civil Case”) was commenced by the United States Securities and

Exchange Commission (the “SEC”) on June 25, 2012.¹ After trial, the United States District Court for the District of Utah (the “Court”) entered judgment against Palmer and National Note.²

A grand jury indicted Palmer and his cousin, Julieann Palmer Martin, in 2015. Both later pleaded guilty. On May 11, 2018, Ms. Martin was sentenced to 16 months in prison followed by three years of probation and ordered to pay approximately \$2 million in restitution. She was released on August 9, 2019. On August 31, 2018, Palmer was sentenced to 60 months incarceration and three years of post-release supervised probation. The Court ordered Palmer to pay \$52,944,855.41 in restitution to 564 investors, with at least \$500 being required to be paid each month after his release from prison. Palmer reported to prison on August 14, 2019.

II.

REAL ESTATE TRANSACTIONS

Attached hereto as Exhibit A is a chart setting forth the status of all real properties in the Receivership Estate as of December 31, 2019. At the beginning of the Reporting Period, only one group of properties remained in the Receivership Estate: 37 lots located in the “Elkhorn Ridge” subdivision in Malad, Idaho. With approval of the Court, these lots were all sold at auction on December 17, 2019.

A. Motion to Sell Elkhorn Property at Auction. On August 4, 2019, the Receiver signed an agreement with Statewide Auction Company of Salt Lake to sell the Elkhorn lots at auction. The Receiver filed a motion seeking Court approval of the proposal to sell the lots at

¹ Docket No. 1.

² Docket No. 1043.

auction,³ which was granted by the Court on November 7, 2019.⁴ The Receiver identified a minimum reserve price for the auction, which was known only to the Receiver, his counsel, and the Court; the auctioneer and the bidders did not know the reserve bid amount.

B. Marketing of the Elkhorn Lots. The Receiver set an auction date of December 17, 2019. The Receiver published legal notices of the auction in newspapers in Salt Lake City and Malad, Idaho and posted information about the sale on the Receivership website. Statewide Auction aggressively marketed the property, including posting signs at the property, sending information about the property to its customers, and creating a special website listing that contained pictures of each lot and information about the sale. Statewide also sent information about the properties to persons who had previously indicated interest in the Elkhorn lots to the Receiver. As a result of this marketing, 92 persons submitted the required bid deposit and registered to bid at the auction.

C. Results of Elkhorn Auction. The auction first determined the high bid for a bulk sale of all 37 lots. The high bid was \$210,000. Statewide then conducted an auction of each individual lot, to determine if the aggregate bids for the individual lots would be higher than the bulk sale auction amount and higher than the reserve amount. All 37 lots sold at auction. High bids ranged from \$9,500 to \$23,500 for the lots. The total for all 37 bids was \$532,500, which was more than twice the reserve amount. All bidders have paid additional deposits required as

³ Docket No. 1458, filed November 5, 2019.

⁴ Docket No. 1461, filed November 7, 2019.

part of the auction procedures. The bid deposits and sales documents have been sent to the title company to set up closings on the sales. The sales are expected to close in January 2020.

D. Turnover of Owners' Association. When the sales of the 37 lots close, the Receiver will set up a meeting with all the lot owners to turn over control of the owners' association and elect a board of directors for the association.

III.

COLLECTION OF JUDGMENTS

The Receiver received notice that one of the judgment debtors—whose judgment the Receiver had already determined was uncollectible—filed for bankruptcy. A final payment of \$3,467.94 was paid to the Receiver on November 4, 2019 on a different judgment being collected by a collection agency. With receipt of this payment, all collection efforts on judgments and settlement agreements have been concluded.

IV.

DISTRIBUTIONS

A. The Initial Distribution. On November 14, 2016, pursuant to the Initial Distribution Order, the Receiver distributed \$4.49 million to the holders of "Allowed Claims." All distribution checks related to this initial distribution cleared. Subsequently, on May 14, 2018, the Court entered an Order allowing payment of \$20,960.85 to the holders of three Disputed Claims.⁵ Those payments were made and those checks have cleared the bank.

⁵ Docket No. 1376.

B. Second Distribution. On June 21, 2018, the Court entered an *Order Granting Receiver's Amended Motion Seeking Authorization to Make Second Distribution.*⁶ Pursuant to that Order, the Receiver distributed on June 29, 2018, a total of \$2,005,394.41 to 228 holders of Allowed Claims entitled to a distribution under the rising tide methodology approved by the Court. All these distribution payments have cleared the bank.

V.

FINANCIAL ANALYSIS

A. Receivership Financial Information. The following financial information is provided for the Reporting Period:

1. Bank Accounts. The Receiver maintains two bank accounts for the operation of the Receivership Estate: a general operating account (the “Operating Account”) and an account used to hold deposits for the sales of real estate (the “Real Estate Account”).⁷ The balances in these accounts as of the close of the Reporting Period are as follows:

Account	Account Balance
Operating Account	\$815,805.11
Real Estate Account	\$8,000.00
TOTAL	\$823,805.11

2. Operating Account Deposits. The sources of funds deposited into the

⁶ Docket No. 1400.

⁷ Pursuant to the Court’s *Order Approving the Receiver’s Third Interim Fee Application for Receiver and Receiver’s Professionals for Services Rendered from July 1, 2013 through December 31, 2013*, Docket No. 828, the Receiver has established a separate Savings Account tied to the Operating Account in which he is holding 20% of the professional fees incurred by him and his counsel related to that fee application. Money to open this Savings Account was transferred from the Operating Account. This Savings Account has a current balance of \$123,091.52 and is in addition to the amounts reported below.

Operating Account during the Reporting Period are shown in the following table:

Source	Amount In
Bank interest	\$240.61
Judgment collection	\$3,467.94
TOTAL	\$3,708.55

3. Operating Account Expenditures. The following table shows the categories of operating expenses that have been paid from the Operating Account during the Reporting Period:

Type of Expense	Amount Out
Property taxes (Elkhorn)	\$426.78
Title reports (38) (partial payment)	\$5,700.00
Storage unit (six months)	\$762.00
Legal notice: Elkhorn sale	\$222.50
TOTAL	\$7,111.28

4. Distributions. As described in Part IV.B, all distribution payments have cleared the bank.

5. Real Estate Account Deposits and Withdrawals. The Real Estate Account remains open for use to hold deposits relating to real estate transactions, but will be closed when the last Elkhorn lot sale has closed.

6. SFAR. Attached as Exhibit B is a copy of the *Standardized Fund Accounting Report* for the Reporting Period

7. Administrative Expenses. The fees and expenses of the Receiver and his counsel, Dorsey & Whitney, have been paid through December 2018, other than the holdback discussed in n.7 above.⁸ For the current Reporting Period, the Receiver and his staff have spent a

⁸ See Docket No. 1453.

total of 25.1 hours on behalf of the Receivership Estate. Billable services provided by the Receiver during the Reporting Period total \$5,435.00. For the current Reporting Period, Dorsey's total fees, less voluntary reductions, are in the total amount of \$14,814.00. The Receiver intends to submit a fee application early in 2020 for work performed by the Receiver and his counsel during 2019.

VI.

NEXT STEPS

The Receiver anticipates addressing the two remaining tasks in the coming months:

1. Property Sale Closings. The Receiver will close on the sales of the 37 Elkhorn lots and turn over control of the owners' association to the lot owners.
2. Closing the Estate. When the Elkhorn lot sales close, the Receiver will propose a third and final distribution of available funds in the Estate. When that distribution is approved and sent, the Receiver will seek approval to close the Receivership, including appropriate ancillary relief from the Court.

VII.

CONCLUSION

Now that the Elkhorn Ridge lots have been sold, the Receiver intends to move forward with making a final distribution and closing the Receivership.

DATED this 22nd day of January, 2020.



WAYNE KLEIN, Receiver

CERTIFICATE OF SERVICE

IT IS HEREBY CERTIFIED that service of the above **THIRTIETH STATUS REPORT OF R. WAYNE KLEIN, RECEIVER** was filed with the Court on this 22nd day of January, 2020, and served via ECF on all parties who have requested notice in this case.

/s/ Candy Long

EXHIBIT A

A	B	C	D	E	F	G
1	REAL PROPERTIES--STATUS					
2	<i>As of 12/31/19. Investigation Ongoing. All Information Subject to Change.</i>					
3	<i>The numbers in the first column correspond with numbers of these properties as described in the Receiver's First Status Report.</i>					
4	Property Name	Location	Appraised Value	Sales Price	Net Sale Proceeds	Status
5	PROPERTIES CURRENTLY IN RECEIVERSHIP ESTATE					
6	3 Elkhorn Ridge Estates-37 Building Lots	Malad, ID				
7	Lot #9 (2.5 acres)		14,000	11,000		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
8	Lot #10 (2.5 acres)		14,000	9,500		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
9	Lot #11 (2.5 acres)		14,000	12,000		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
10	Lot #12 (2.5 acres)		14,000	11,500		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
11	Lot #13 (5.0 acres)		14,000	20,500		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
12	Lot #14 (5.0 acres)		14,000	23,500		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
13	Lot #15 (2.5 acres)		14,000	11,000		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
14	Lot #16 (2.5 acres)		14,000	11,500		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
15	Lot #17 (2.5 acres)		14,000	11,500		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
16	Lot #18 (2.5 acres)		14,000	12,500		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
17	Lot #19 (2.5 acres)		14,000	14,000		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
18	Lot #20 (2.5 acres)		14,000	15,000		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
19	Lot #21 (2.5 acres)		14,000	15,000		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
20	Lot #23 (2.7 acres)		15,000	12,500		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
21	Lot #24 (2.5 acres)		15,000	14,000		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
22	Lot #26 (2.8 acres)		16,000	16,500		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
23	Lot #27 (2.5 acres)		14,000	11,500		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
24	Lot #28 (2.5 acres)		14,000	13,000		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
25	Lot #29 (2.8 acres)		16,000	14,500		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
26	Lot #30 (2.6 acres)		15,000	13,500		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
27	Lot #31 (2.8 acres)		16,000	14,500		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
28	Lot #32 (2.5 acres)		14,000	15,500		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
29	Lot #33 (2.5 acres)		14,000	13,500		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
30	Lot #34 (2.5 acres)		14,000	13,500		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
31	Lot #35 (2.5 acres)		14,000	15,000		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
32	Lot #36 (2.5 acres)		14,000	15,000		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
33	Lot #37 (2.5 acres)		14,000	12,000		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
34	Lot #38 (3.8 acres)		16,000	16,500		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
35	Lot #39 (3.8 acres)		16,000	17,500		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
36	Lot #40 (2.5 acres)		14,000	13,000		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
37	Lot #41 (2.5 acres)		14,000	15,000		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
38	Lot #42 (2.5 acres)		14,000	13,500		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
39	Lot #43 (2.5 acres)		14,000	17,000		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
40	Lot #44 (2.4 acres)		14,000	17,500		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
41	Lot #45 (2.5 acres)		14,000	17,000		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
42	Lot #46 (2.5 acres)		14,000	17,000		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
43	Lot #47 (2.5 acres)		14,000	15,500		Auction approved (Dkt. #1461). Auction sale 12/17/19. Sale closed
44						

A	B	C	D	E	F	G
45	PROPERTIES SOLD OR RELEASED					
46	Property Name	Location	Listing Price	Sales Price	Net Sale Proceeds	Status
47	1 River Run/Riverbend Subdivision-Land	Middleton, ID	N.A.	N.A.	N.A.	No equity. Court approved release of property to lender [Dkt. No. 590]
48	2 Single family home: 1st Avenue	Middleton, ID	115,000	105,000	102,461.72	Sale approved [Docket No. 734]. Sale closed 10/15/14
49	Single family home: Hawthorne Ave.	Middleton, ID	80,000	76,000	69,569.48	Sale approved [Docket No. 804]. Sale closed 11/17/14
50	3 Elkhorn Ridge Estates-47 Building Lots	Malad, ID				Lots sold to date are:
51	Lot #1		135,000	155,000	142,834.78	Sale approved [Docket No. 419]. Sale closed 8/29/13
52	Lot #2		35,000	31,500	27,725.00	Sale approved [Docket No. 492]. Sale closed 12/6/13
53	Lot #3		35,000	22,000	19,344.67	Sale approved [Docket No. 1261]. Sale closed 1/31/17
54	Lot #4		35,000	35,000	30,893.21	Sale approved [Docket No. 231]. Sale closed 4/26/13
55	Lot #5		80,000	80,000	71,803.14	Sale approved [Docket No. 231]. Sale closed 4/8/13
56	Lots #6 & 7		70,000	44,000	39,483.79	Sale approved [Docket No. 1295]. Sale closed 6/9/17
57	Lot #22			22,000	19,322.15	Sale approved [Docket No. 1364]. Sale closed 4/2/18
58	Lot #25			25,200	22,178.62	Sale approved [Docket No. 1341]. Sale closed 1/29/18
59	Lot #48		80,000	80,000	73,620.84	Sale approved [Docket No. 231]. Sale closed 4/9/13
60	4 Elkhorn Ridge-4 Undeveloped Parcels	Malad, ID	250,000	240,000	226,369.05	Sale approved [Docket No. 1173]. Sale closed 9/9/16
61	5 Manhattan Grille Condominium	Manhattan, MT	49,000	51,000	45,933.32	Sale approved [Docket No. 300]. Sale closed 6/5/13
62	6 Twin Pines Apartments	Brigham City, UT	N.A.		172,020.02	Sale approved [Docket No. 736]. Sale closed 9/14/14
63	7 Ogden Office Building (49% ownership)	Ogden, UT	699,000	600,000	241,836.07	Sale approved via auction [Docket No. 1042]. Sale closed 1/6/16
64	8 Summit Park Lot	Summit Park, UT	40,000	37,500	32,477.61	Sale approved [Docket No. 135]. Sale closed 1/24/13
65	9 Bandanna Cabin	Fruitland, UT	260,000	260,000	226,374.07	Sale at auction approved [Docket No. 341]. Sale closed 10/24/13
66	10 Deer Meadows	Duchesne Co., UT	54,000	41,000.00	34,506.47	Sale approved [Docket No. 1369]. Sale closed 6/6/18
67	11 Outpost/Indian Canyon	Duchesne Co., UT	N.A.	148,222.56	134,068.12	Sale approved [Docket No. 269]. Sale closed 8/21/13
68	12 East Meadows Mobile Home Park	Vernal, UT	N.A.	1,025,000	979,620.29	Sale approved [Docket No. 292]. Sale closed 7/29/13
69	13 Quail Hollow Apartments	Vernal, UT	N.A.	N.A.	N.A.	Determined not owned by Receivership Estate
70	14 Residential Building Lots at 900 West	Salt Lake City, UT	N.A.	70,000	65,295.00	Sale approved [Docket No. 263]. Sale closed 5/8/13
71	15 Cottonwood Road Property-4 acres	Salt Lake City, UT	N.A.	N.A.	N.A.	No equity; court approved release of property to lender [Dkt. No. 179].
72	15 Cottonwood Road Property-1 acre	Salt Lake City, UT	N.A.	291,000	279,189.07	Sale at auction approved [Docket No. 495]. Sale closed 11/8/13
73	16 National Note Office Building	West Jordan, UT	285,000	285,000	55,903.09	Sale approved [Docket No. 161]. Sale closed 3/19/13
74	17 Palmer Residence	West Jordan, UT	N.A.	N.A.	N.A.	No equity. Court approved abandonment of property [Dkt. No. 869].
75	18 Star Pointe Development	Salt Lake City, UT	N.A.	N.A.	70,000.00	Court approved settlement agreement with lender [Docket No. 608].
76	19 Autumn Ridge Subdivision-Phase I	Eagle Mtn., UT				
77	Phase I-Lot #2		37,000	39,900	35,635.21	Sale approved [Docket No. 692]. Sale closed 7/8/14
78	Phase I-Lot #3		37,000	39,900	35,711.84	Sale approved [Docket no. 644]. Sale closed 5/1/14
79	Phase I-Lot #4		37,000	37,000	30,821.91	Sale approved to builders [Docket No. 293]. Sale closed 6/3/13
80	Phase I-Lot #6		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293]. Sale closed 10/31/13
81	Phase I-Lot #7		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293]. Sale closed 10/31/13
82	Phase I-Lot #8		37,000	37,000	31,554.15	Sale approved to builders [Docket No. 293]. Sale closed 5/31/13
83	Phase I-Lot #11		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293]. Sale closed 10/31/13
84	Phase I-Lot #16		37,000	39,900	35,903.39	Sale approved [Docket No. 696]. Sale closed 7/18/14
85	Phase I-Lot #21		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293]. Sale closed 10/31/13
86	Phase I-Lot #30		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293]. Sale closed 10/31/13
87	Phase I-Lot #33		37,000	37,000	30,775.92	Sale approved to builders [Docket No. 293]. Sale closed 10/31/13
88	Phase I-Lot #39		37,000	39,900	35,903.39	Sale approved [Docket No. 696]. Sale closed 7/18/14
89	Phase I-Lot #40		37,000	37,000	30,911.96	Sale approved to builders [Docket No. 293]. Sale closed 9/25/13
90	Phase I-Lot #41		37,000	37,000	30,857.73	Sale approved to builders [Docket No. 293]. Sale closed 8/14/13

A	B	C	D	E	F	G
91	Phase I-Lot #51		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293] Sale closed 10/31/13
92	Phase I-Lot #52		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293] Sale closed 10/31/13
93	Phase I-Lot #54		37,000	37,000	31,554.16	Sale approved to builders [Docket No. 293] Sale closed 5/31/13
94	Phase I-Lot #55		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293] Sale closed 10/31/13
95	Phase I-Lot #60		37,000	37,000	31,355.89	Sale approved to builders [Docket No. 293] Sale closed 10/31/13
96	Phase II-62 Building Lots		N.A.	538,000	446,610.24	Sale approved [Docket No. 460] Sale closed 10/1/13
97	20 Overland Trails	Eagle Mtn., UT	340,000	690,000.00	625,681.94	Sale approved via auction [Docket No. 1431] Sale closed 1/18/19
98	21 Cedar Fort Land (Fairfield)-8 acres	Fairfield, UT	24,000	25,000	22,274.21	Sale at auction approved [Docket No. 458] Sale closed 11/14/13
99	21 Cedar Fort Land (Fairfield)-85 Acres	Fairfield, UT	255,000	213,925	242,656.49	Sale approved [Docket No. 1186]. Sale closed 8/12/16
100	22 Expressway Business Park	Spanish Fork, UT				
101	Unit #109		N.A.	N.A.	N.A.	No equity; Court approved release to lender [Docket No. 241]
102	Unit #305		65,000	69,000	55,840.79	Court approved sale at auction [Docket No. 270] Sale closed 6/27/13
103	Unit #204		N.A.	N.A.	N.A.	No equity; Court approved release to lender [Docket No. 364]
104	Unit #215		N.A.	127,500	112,965.27	Sale approved at auction [Docket No. 393] Sale closed 10/30/13
105	23 Expressway Business Park-Land	Spanish Fork, UT	1,250,000	775,000	357,412.55	Sale at auction approved [Docket No. 1320]. Sale closed 12/22/17
106	24 Gooseberry Cabin	Fairview, UT	N.A.	N.A.	N.A.	No equity; Court approved release to lender [Docket No. 125]
107	25 Almond Heights-21 Building Lots	Toquerville, UT	842,000			
108	Lot #A-2		159,750	148,200	118,730.60	Sale Approved [Docket No. 1099] Sale closed 3/22/16
109	Lot #C-2		34,200	30,780	24,136.91	Sale Approved [Docket No. 1075] Sale closed 3/1/16
110	Lot #F		32,300	31,000	24,733.41	Sale approved [Docket No. 988] Sale closed 8/24/15
111	Lot #F-3		35,150	31,635	24,887.93	Sale Approved [Docket No. 1075] Sale closed 3/1/16
112	Lot #7		38,000	32,000	29,388.95	Sale approved [Docket No. 829]. Sale closed 12/18/14
113	Lot #10		38,950	36,000	30,552.54	Sale approved [Docket No. 906]. Sale closed 3/31/15
114	Lot #11		37,050	32,000	6,788.12	Sale approved [Docket No. 829]. Sale closed 12/16/14
115	Lot #12		38,000	32,000	6,787.90	Sale approved [Docket No. 829]. Sale closed 12/16/14
116	Lot #13		37,050	32,000	6,787.75	Sale approved [Docket No. 829]. Sale closed 12/16/14
117	Lot #14		35,150	31,635	6,525.25	Sale Approved [Docket No. 1075] Sale closed 3/1/16
118	Lot #15		33,250	29,925	6,254.50	Sale Approved [Docket No. 1075] Sale closed 3/1/16
119	Lot #17		30,400	24,000	21,752.44	Sale approved [Docket No. 829]. Sale closed 12/11/14
120	Lot #18		30,400	27,360	23,562.06	Sale Approved [Docket No. 1075] Sale closed 3/1/16
121	Lot #19		22,800	18,600	-1,200.46	Sale Approved [Docket No. 1068] Sale closed 1/25/16
122	Lot #20		22,800	18,600	-1,526.81	Sale Approved [Docket No. 1068] Sale closed 1/25/16
123	Lot #21		11,500	7,700	4,198.82	Sale approved [Docket No. 1256]. Sale closed 2/9/17
124	Lot #22					Sale approved [Docket No. 1256]. Sale closed 2/9/17
125	Lot #23		31,350	24,000	20,346.06	Sale approved [Docket No. 998]. Sale closed 9/4/15
126	Lot #24		33,250	31,000	26,672.24	Sale approved [Docket No. 998]. Sale closed 9/4/15
127	Lot #25		35,150	34,000	29,216.54	Sale approved [Docket No. 951]. Sale closed 5/21/15
128	Lot #26		34,200	32,000	27,151.02	Sale approved [Docket No. 829]. Sale closed 12/17/14
129	26 Kanab Home	Kanab, UT	199,000	197,000	18,162.90	Sale approved [Docket No. 746]. Sale closed 9/4/14
130	27 Farrell Business Park-12 Units	Gilbert, AZ				
131	Unit 103		76,631	101,631	83,997.05	Court approved sale at auction [Docket No. 202] Sale closed 5/31/13
132	Unit 104		76,631	101,631	83,997.05	Court approved sale at auction [Docket No. 202] Sale closed 5/31/13
133	Unit 105		80,000	92,000	70,392.98	Court approved sale at auction [Docket No. 203] Sale closed 5/21/13
134	Unit 106		80,000	97,000	74,832.11	Court approved sale at auction [Docket No. 204] Sale closed 6/7/13
135	Unit 107		80,000	90,000	67,699.81	Court approved sale at auction [Docket No. 205] Sale closed 6/7/13
136	Unit 109		80,000	80,000	59,194.91	Court approved sale at auction [Docket No. 206] Sale closed 5/16/13
137	Unit 110		80,000	80,000	59,194.91	Court approved sale at auction [Docket No. 206] Sale closed 5/16/13

A	B	C	D	E	F	G
138	Unit 111		80,000	80,000	59,194.92	Court approved sale at auction [Docket No. 206] Sale closed 5/16/13
139	Unit 113		80,000	107,000	85,094.45	Court approved sale at auction [Docket No. 207] Sale closed 6/3/13
140	Unit 114		80,000	107,000	85,094.45	Court approved sale at auction [Docket No. 207] Sale closed 6/3/13
141	Unit 115		80,000	80,000	59,288.00	Court approved sale at auction [Docket No. 208] Sale closed 6/11/13
142	Unit 116		80,000	80,000	59,288.00	Court approved sale at auction [Docket No. 208] Sale closed 6/11/13
143	28 Clearview Business Park-8 Units	Mesa, AZ	415,954	737,000	591,295.43	Court approved sale at auction [Docket No. 177] Sale closed 5/10/13
144	29 Bear Grove Industrial Park-8 Lots	Byron, MN	1,675,200			
145	Parcel #8516		281,500	210,000	10,000.00	Sale approved [Docket No. 853]. Sale closed 3/27/15
146	Parcel #8509		156,700	149,000	98,795.03	Sale approved [Docket No. 849]. Sale closed 3/16/15
147	Parcel #8512		305,000	235,000	6,500.00	Sale approved [Docket No. 854]. Sale closed 3/6/15
148	Parcel #6060		340,000	235,000	10,000.00	Sale approved [Docket No. 875]. Sale closed 3/24/15
149	Lot 3, Block 1 (Parcel #8510)		149,500	149,500	95,340.47	Sale approved [Docket No. 989] Sale closed 9/30/15
150	Block 2, Lots 4-5		448,300	448,300	279,963.57	Sale at auction approved [Docket No. 1084] Sale closed 3/31/16
151	Block 2, Lot 1		285,000	280,000	34,019.74	Sale approved [Docket No. 1118]. Sale closed June 15, 2016
152	Block 1, Lot 4		285,000	288,520	10,000.00	Sale approved [Docket No. 1361]. Sale closed 4/16/18.
153	30 Georgia Single Family Residence	Temple, GA	135,000	125,000	106,843.83	Sale approved [Docket No. 553] Sale closed 1/10/14
154	31 Chicago Single Family Residence	Chicago, IL	N.A.	N.A.	N.A.	No value; Court approved abandonment [Docket No. 434] Order 9/10/13
155	32 Cleveland Single Family Residence	Cleveland, OH	N.A.	N.A.	N.A.	No value; Court approved abandonment [Docket No. 434] Order 9/10/13
156	33 Cleveland Building Lot	Cleveland, OH	N.A.	N.A.	N.A.	No value; Court approved abandonment [Docket No. 434] Order 9/10/13
157	34 Toledo Single Family Residence	Toledo, OH	N.A.	N.A.	N.A.	No value; Court approved abandonment [Docket No. 434] Order 9/10/13
158						
159	Total		12,181,116.00	11,712,463.92	8,202,038.80	

EXHIBIT B

Wayne Klein, Receiver for National Note of Utah
PO Box 1836
Salt Lake City, UT 84110
801-824-9616

STANDARDIZED FUND ACCOUNTING REPORT

Civil – Receivership Fund

Fund Name: SEC v. National Note of Utah
Civil Court Docket No. 2:12-CV-00591 BSJ

Reporting Period 10/01/2019 to 12/31/2019

Standardized Fund Accounting Report for National Note of Utah - Cash Basis			
Receivership; Civil Court Docket No. 2:12-CV-00591 BSJ			
Reporting Period 10/01/2019 to 12/31/2019			
Fund Accounting (See Instructions):			
		Detail	Subtotal
Line 1	Beginning Balance (As of 10/01/2019):	\$950,299.36	
	<i>Increases in Fund Balance:</i>		
Line 2	Business Income	\$0.00	
Line 3	Cash and Securities	\$0.00	
Line 4	Interest/Dividend Income	\$240.61	
Line 5	Business Asset Liquidation	\$0.00	
Line 6	Personal Asset Liquidation	\$0.00	
Line 7	Third-Party Litigation Income	\$3,467.94	
Line 8	Miscellaneous - Other	\$0.00	
	Total Funds Available (Lines 1 - 8)		\$954,007.91
	<i>Decreases in Fund Balance:</i>		
Line 9	Disbursements to Investors	\$0.00	
Line 10	Disbursements for Receivership Operations		
Line 10a	Disbursements to Receiver or Other Professionals	\$0.00	
Line 10b	Business Asset Expenses	\$7,111.28	
Line 10c	Personal Asset Expenses	\$0.00	
Line 10d	Investment Expenses	\$0.00	
Line 10e	Third-Party Litigation Expenses		
	1. Attorney Fees	\$0.00	
	2. Litigation Expenses	\$0.00	
	Total Third-Party Litigation Expenses		\$0.00
Line 10f	Tax Administrator Fees and Bonds	\$0.00	
Line 10g	Federal and State Tax Payments	\$0.00	
	Total Disbursements for Receivership Operations		\$7,111.28
Line 11	Disbursements for Distribution Expenses Paid by the Fund:		
Line 11a	<i>Distribution Plan Development Expenses:</i>		
	1. Fees:	\$0.00	
	Fund Administrator		
	Independent Distribution Consultant (IDC)		
	Distribution Agent		
	Consultants		
	Legal Advisers		
	Tax Advisers		
	2. Administrative Expenses	\$0.00	
	3. Miscellaneous	\$0.00	

	<i>Total Plan Development Expenses</i>	\$0.00		
<i>Line 11b</i>	<i>Distribution Plan Implementation Expenses:</i>			
	1. Fees:	\$0.00		
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisers			
	Tax Advisers			
	2. Administrative Expenses	\$0.00		
	3. Investor Identification:	\$0.00		
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond	\$0.00		
	5. Miscellaneous	\$0.00		
	6. Federal Account for Investor Restitution	\$0.00		
	(FAIR) Reporting Expenses	\$0.00		
	<i>Total Plan Implementation Expenses</i>	\$0.00		
	Total Disbursements for Distribution Expenses Paid by the Fund	\$0.00		
<i>Line 12</i>	Disbursements to Court/Other:			
	<i>Investment Expenses/Court Registry Investment System (CRIS) Fees</i>			
<i>Line 12a</i>		\$0.00		
<i>Line 12b</i>	<i>Federal Tax Payments</i>	\$0.00		
	Total Disbursements to Court/Other	\$0.00		
	Total Funds Disbursed (Lines 9 - 12):			\$7,111.28
<i>Line 13</i>	Ending Balance (As of 12/31/2019):			\$946,896.63
<i>Line 14</i>	Ending Balance of Fund - Net Assets:			
<i>Line 14a</i>	<i>Cash & Cash Equivalents</i>	\$946,896.63		
<i>Line 14b</i>	<i>Investments</i>	\$0.00		
<i>Line 14c</i>	<i>Other Assets or Uncleared Funds</i>	\$0.00		
	Total Ending Balance of Fund - Net Assets			\$946,896.63
	Other Supplemental Information:			
		Detail	Subtotal	Grand Total
	<i>Report of Items NOT To Be Paid by the Fund:</i>			
<i>Line 15</i>	<i>Disbursements for Plan Administration Expenses Not Paid by the Fund:</i>			
<i>Line 15a</i>	<i>Plan Development Expenses Not Paid by the Fund:</i>			
	1. Fees:	\$0.00		

Fund Administrator			
IDC			
Distribution Agent			
Consultants			
Legal Advisers			
Tax Advisers			
2. Administrative Expenses		\$0.00	
3. Miscellaneous		\$0.00	
<i>Total Plan Development Expenses Not Paid by the Fund</i>		\$0.00	
<i>Line 15b Plan Implementation Expenses Not Paid by the Fund:</i>			
1. Fees:		\$0.00	
Fund Administrator			
IDC			
Distribution Agent			
Consultants			
Legal Advisers			
Tax Advisers			
2. Administrative Expenses		\$0.00	
3. Investor Identification:		\$0.00	
Notice/Publishing Approved Plan			
Claimant Identification			
Claims Processing			
Web Site Maintenance/Call Center			
4. Fund Administrator Bond		\$0.00	
5. Miscellaneous		\$0.00	
6. FAIR Reporting Expenses		\$0.00	
<i>Total Plan Implementation Expenses Not Paid by the Fund</i>		\$0.00	
<i>Line 15c Tax Administrator Fees and Bonds Not Paid by the Fund</i>		\$0.00	
Total Distributions for Plan Administration Expenses Not Paid by the Fund		\$0.00	
<i>Line 16 Disbursements to Court/Other Not Paid by the Fund:</i>			
<i>Investment Expenses/Court Registry Investment System</i>			
<i>Line 16a (CRIS) Fees</i>		\$0.00	
<i>Line 16b Federal Tax Payments</i>		\$0.00	
Total Disbursements to Court/Other Paid by the Fund:		\$0.00	
<i>Line 17 DC & State Tax Payments</i>		\$0.00	
<i>Line 18 No. of Claims:</i>			
<i>Line 18a # of Claims Received This Reporting Period</i>		0	
<i>Line 18b # of Claims Received Since Inception of Fund</i>		468	
<i>Line 19 No. of Claimants/Investors:</i>			

Line 19a # of Claimants/Investors Paid This Reporting Period	0
Line 19b # of Claimants/Investors Paid Since Inception of Fund	433
Receiver: <u>National Note of Utah</u>	
By: <u>Wayne Klein</u> (signature)	
Wayne Klein (printed name)	
Receiver (title)	
Date: <u>January 8, 2020</u>	

NNU SFAR - 4th Quarter 2019							
Line Breakdown							
	Line 2	Line 4	Line 5	Line 6	Line 7	Line 8	Total
Rent Received		\$0.00					
Overpaid Investors					\$3,467.94		
National Note			\$0.00	\$0.00	\$0.00		
Real Estate Holding			\$0.00				
Royalties Received						\$0.00	
Interest		\$240.61					
Refunds						\$0.00	
Witness Fees						\$0.00	
Advances by Receiver		\$0.00	\$240.61	\$0.00	\$3,467.94	\$0.00	\$3,708.55
	Line 9	Line 10a	Line 10b	Line 10f	Line 10e-1	Line 10e-2	Total
Receivership Expenses		\$0.00	\$0.00	\$7,111.28	\$0.00	\$0.00	
Refund Deposit from Prior Period				\$0.00			
Adjustment - NNU Account				\$0.00			
	\$0.00	\$0.00	\$7,111.28	\$0.00	\$0.00	\$0.00	\$7,111.28
	Line 14a						
National Note		\$67,775.64					
Savings		\$123,091.52					
High-Yield Operating		\$748,029.47					
Real Estate Holding		\$8,000.00					
High-Yield Real Estate		\$0.00					
	\$946,896.63						

Created by James Shupe on 1/8/2020